GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2945
ANSWERED ON:06.12.2007
PRODUCTION OF STEEL
Sarvey Shri Sathyanarayana

Will the Minister of STEEL be pleased to state:

(a) whether the actual steel production is abysmally short of targets laid in successive Five Year Plans;

(b) if so, the details thereof and the reasons therefor;

(c) whether China`s steel production has reached a level of about 460 MT while India is still struggling with a level of 45 MT;

(d) if so, the reasons therefor;

(e) whether the State Governments of Jharkhand, Chhattisgarh and Orissa have signed large number of MOUs with entrepreneurs for setting up of steel plants in their States in the last two years and none has materialised on the ground of non-availability of raw material namely iron ore blocks;

(f) if so, the reasons therefor; and (g) the steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): No, Sir. The Five Year Plans did not lay down any target of steel production.

(c)&(d): In 2006, the crude steel production of China and India was 423 MT and 49 MT respectively. A rapid growth in infrastructure development and indigenous capacity for production supported by strong and sustained growth in demand of steel, sustained GDP growth rate, availability of iron ore resource base, a very good reserve of low ash metallurgical coal and cheap capital funds provided by the State-owned banking sector has led the steel production in China to rise phenomenally. On the other hand, moderate growth in GDP, low investment rate, slow demand and restricted availability of cheap credit led Indian steel industry to lag behind the Chinese steel industry in spite of having resource base of iron ore and coal.

(e)&(f): State Governments of Jharkhand, Chhattisgarh and Orissa have signed a large number of MOUs with entrepreneurs for setting up of steel plants in the State in the last two years. The projects are at different stages of progress.

(g) After de-regulation of steel industry in 1992, no industrial license is required for setting up a steel plant. Government does not directly intervene in setting up of a steel plant. However, Government plays the role of the facilitator and provides enabling environment through policy initiatives to foster growth of steel industry.